

### Operating Statement Notes

The tables below analyse the favourable variances over £50,000 and all adverse variance for the Wholesale Markets as reported on the Operating Summary which is attached at Appendix 3. The summary compares the Original 2017-18 to the Original 2018/19 Budget. It has not been prepared in accordance with conventional City of London Corporation format. Brackets on the summary signify an expenditure item or a deficit position.

<u>New Spitalfields Market Note number</u>	<u>Description</u>	<u>2017/18 OR to 2018/19 OR Variance</u>
	<b>Expenditure</b>	
19	Employees	The increase in cost of £48,000, 3% which is recoverable through the Service Charge is due to increases for increments, cost of living uplift, National Insurance and pensions.
20	Premises Related	The decrease in cost of £266,000, 15%, is in relation to a decrease in repair and maintenance of £372,000 netted off against increased costs for the new office cleaning contract with Servest of £47,000 and increased energy and water charges of £59,000.
21	Waste/Recycling Contract	The £200,000, 11% increase in costs, is due to the re-tender of the waste contract and the market uplift on the fixed price of the contract.
	<b>Income</b>	
22	Charges for services	The increase in income of £339,000, 7%, is due to income generated from the new entry barrier of £400,000, netted off against a reduced budget for car parking of £65,000 as this is now included in the entry charge and a small net increase over several other income categories of £4,000.
23	Capital and Depreciation	Increased depreciation for equipment and buildings of £37,000, 6%.
24	Other Central Costs	The net increase of £238,000, 116% is due to the transfer of funds to the reserves because of reductions in projects.

<u>Billingsgate Market Note number</u>	<u>Description</u>	<u>2017/18 OR to 2018/19 OR Variance</u>
	<b>Expenditure</b>	
25	Employment costs	The £55,000, 3%, service charge increase is due to higher increments and cost of living increases.

26	Premises	<p>The £19,000, 2% service charge increase is due to:</p> <ul style="list-style-type: none"> <li>• A decrease in energy costs of £30,000.</li> <li>• Reduction of £50,000 for contribution to market reserves due to reduced works.</li> <li>• An increase in rates of £54,000, cleaning and pest control materials of £10,000 and general repairs of £35,000.</li> </ul>
27	Supplies and Services	The service charge increase of £10,000, 9% is additional uniform costs such as stab vests.
	<b>Income</b>	
28	Rent	The £62,000, 7%, is due to increases in rent.
29	Charges for Services	The £47,000, 1% decrease is due to £50,000 reduction for fish market customer car parking and a net increase over several income categories of £3,000.
30	Other costs      Central	The £83,000, 21% reduction is due to reduced Contribution to the Repair and Special Works fund of £50,000, reductions in insurance and central support costs of £13,000 and a £20,000 reduction in transfers to the tenant repair fund.

<u>Smithfield Market Note number</u>	<u>Description</u>	<u>2017/18 OR to 2018/19 OR Variance</u>
	<b>Expenditure</b>	
31	Employment.	The increased costs of £125,000, 7%, is due to higher increments and cost of living increases.
32	Premises	<p>The £218,000, 5% decrease is due to:</p> <ul style="list-style-type: none"> <li>• A £631,000 decrease in City Surveyors costs for additional works programme and an increase for cyclical works of £14,000.</li> <li>• Increased business rates for Smithfield Market £52,000, HV tanking of plant, £74,000 in the East Market, £64,000 to complete installation of electric meters, Citigen heating and cooling increases of £54,000. This is netted off against a reduction in electric of £45,000 due to revision of consumption and price.</li> <li>• An increase of £200,000 for services payable by the City on vacant premises.</li> </ul>
33	Transport	The increase in cost of £17,000, 567% is due to the purchase of a ride on scrubber/dryer.
34	Supplies and services	The increase in costs of £46,000, 11% is due to an increase for a jet wash machine, £6,000, Christmas traffic management, £16,000, contractual increase for refuse collection, £24,000.
	<b>INCOME</b>	
35	Charges for Services	<p>The increased income of £1,674,000, 47% is due to:</p> <ul style="list-style-type: none"> <li>• recovering cost of services from the tenants as the capped agreement ends on 31.3.2018 of £1,808,000 less rates that were directly recovered from individual tenants which are now included in the service charge of £173,000.</li> <li>• increase from Commercial Office tenants of £36,000 for the HV tanking and a net increase for works, electric and water of</li> </ul>

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